

GOLDEX MINES LIMITED

365 Bay Street
Toronto, Ontario

ANNUAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that an annual meeting of the shareholders of GOLDEX MINES LIMITED (the "Company") will be held at Suite 300, 365 Bay Street, Toronto, Ontario, on Friday, the 30th day of March, 1979, at the hour of 10:30 o'clock in the forenoon (Toronto time) for the following purposes:

- (1) To receive and consider the financial statements of the Company as at September 30, 1978, together with the report of the auditors thereon;
- (2) To elect directors;
- (3) To appoint auditors; and
- (4) To transact such further and other business as may properly come before the meeting or any adjournment or adjournments thereof.

Shareholders who are unable to attend the meeting in person are requested to complete, date, sign and return the enclosed instrument of proxy.

DATED the 2nd day of March, 1979

By Order of the Board,

MIKEY DRUTZ,
Secretary-Treasurer.

GOLDEX MINES LIMITED

INFORMATION CIRCULAR

SOLICITATION OF PROXIES

This Information Circular is furnished in connection with the solicitation by the management of Goldex Mines Limited (the "Company") of proxies to be voted at the annual meeting of the shareholders of the Company called for the purposes set forth in the accompanying Notice of Meeting and to be held at Suite 300, 365 Bay Street, Toronto, Ontario, on March 30, 1979, and at any adjournment or adjournments thereof. Solicitation will be by mail, possibly supplemented by telephone or other personal contact by the directors of the Company. The cost of such solicitation will be borne by the Company.

The persons named in the enclosed form of proxy are directors of the Company. IF, HOWEVER, A SHAREHOLDER DESIRES TO APPOINT SOME OTHER PERSON (WHO NEED NOT BE A SHAREHOLDER) TO REPRESENT HIM AT THE MEETING OTHER THAN THOSE DESIGNATED IN THE FORM OF PROXY, HE MAY DO SO BY INSERTING SUCH PERSON'S NAME IN THE BLANK SPACE PROVIDED IN THE FORM OF PROXY OR COMPLETE ANOTHER FORM OF PROXY

REVOCATION OF PROXY

A shareholder who has given a proxy may revoke it at any time prior to its use either (a) by signing a proxy bearing a later date, or (b) by signing written notice of revocation and thereafter depositing either at the head office of the Company at any time up to and including the last business day preceding the day of the meeting, or any adjournment thereof, at which the proxy is to be used, or with the chairman of such meeting on the day of the meeting, or adjournment thereof.

VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

The authorized capital of the Company consists of 3,000,000 shares without par value of which 2,450,001 shares are presently outstanding. Shareholders of record at the time of the meeting are entitled to one vote for each share held.

To the knowledge of the directors and senior officers of the Company the following are the only persons or corporations who beneficially own, directly or indirectly, more than 10 per cent of the outstanding shares of the Company:

<u>Name</u>	<u>Number of Shares</u>	<u>Percentage of Outstanding Shares</u>
Norman Sheriff	452,778	18.48%

ELECTION OF DIRECTORS

It is proposed that the following persons will be nominated for election as directors of the Company to hold office from the date of election until the first following annual meeting of shareholders of the Company or until their respective successors shall be elected or appointed. The following is information concerning the proposed nominees for election as directors. Information as to shares beneficially owned, not being within the knowledge of the Company, has been furnished by the respective directors individually.

<u>Name</u>	<u>Other Positions and Offices Presently Held in the Company</u>	<u>Period in which Nominee has served as Director of the Company</u>	<u>Number of Shares of the Company Beneficially Owned (Directly and Indirectly)</u>	<u>Principal Occupation at Present and During Past 5 Years</u>
P. Penna	President	Since June 23, 1971	60,022 (1)	Executive, Jakmin Investment Limited President and Managing Director, Agnico-Eagle Mines Limited
M. Drutz	Secretary-Treasurer	Since June 23, 1971	—	Secretary-Treasurer, Jakmin Investments Limited
C. Kean	None	Since June 23, 1971	30,000	Executive, Dalton Bus Lines Co.
E. L. Baxter	None	Since July 30, 1971	—	Aerial Photographer
I. Dobbs	None	Since July 30, 1971	—	President, Dobbs & Co. Insurance Limited
G. W. Kirk	None	Since November 1, 1971	500	Professional Engineer, Mine Manager, Agnico-Eagle Mines Limited — silver division

(1) Represents shares held by Jakmin Investments Limited of which Mr. Paul Penna is the sole shareholder.

Jakmin Investments Limited is an investment company, Dalton Bus Lines Co. operates a bus line and Dobbs & Co. Insurance Limited carries on business as an insurance agency.

REMUNERATION AND INTEREST OF MANAGEMENT

The aggregate direct remuneration paid or payable to the directors and senior officers of the Company, as such, during the financial year of the Company ended September 30, 1978 was \$400.

APPOINTMENT OF AUDITORS

Action is to be taken at the meeting with respect to the appointment of Messrs. Starkman, Kraft, Rothman, Berger & Grill, Chartered Accountants, as the auditors of the Company.

GENERAL INFORMATION

Information contained herein is given as of March 2, 1979. Management knows of no matters to come before the annual meeting of shareholders other than the matters set forth in the enclosed Notice of Meeting. Receipt at the meeting of the financial statements of the Company as at September 30, 1978 and the report of the auditors thereon will not constitute approval of such financial statements and report.

Approved by the Board of Directors,

MIKEY DRUTZ,
Secretary-Treasurer

March 2, 1979



GOLDEX
mines limited

ANNUAL REPORT / 1978



GOLDEX
mines limited

OFFICERS

PAUL PENNA - - - - - *President*
MIKEY DRUTZ - - - - - *Secretary-Treasurer*

DIRECTORS

EDWARD LESLIE BAXTER - Islington, Ontario
IRVING DOBBS - - - - - Willowdale, Ontario
MIKEY DRUTZ - - - - - Toronto, Ontario
CHARLES KEAN - - - - - Timmins, Ontario
GORDON W. KIRK, P.Eng. - - Haileybury, Ontario
PAUL PENNA - - - - - Port Credit, Ontario

CONSULTING GEOLOGIST

W. A. HUBACHECK, B.Sc., P.Eng. - Toronto, Ontario

AUDITORS

STARKMAN, KRAFT, ROTHMAN,
BERGER & GRILL
Chartered Accountants - - - - - Toronto, Ontario

TRANSFER AGENT

GUARANTY TRUST COMPANY
OF CANADA
88 University Ave. - - - - - Toronto, Ontario
427 St. James Street - - - - - Montreal, Quebec

BANKERS

CANADIAN IMPERIAL BANK
OF COMMERCE
City Hall Branch - - - - - Toronto, Ontario

SOLICITORS

SHIBLEY, RIGHTON &
McCUTCHEON - - - - - Toronto, Ontario

**EXECUTIVE AND
HEAD OFFICE**

Suite 300, 365 Bay Street - Toronto, Ontario M5H 2V1

SHARES LISTED

MONTREAL STOCK EXCHANGE Montreal, Quebec
Ticker Symbol "GLX"

**ANNUAL MEETING OF
SHAREHOLDERS**

The Annual Meeting of Shareholders will be held at 10:30
a.m., Friday, March 30, 1979, at Suite 300, 365 Bay
Street, Toronto, Ontario.

AUDITORS' REPORT TO THE SHAREHOLDERS

We have examined the balance sheet of Goldex Mines Limited as at September 30, 1978 and the statements of deferred development expenditures, deferred administrative expenditures and changes in financial position for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

As outlined in Note 1 the Company's Dubuisson Township property has been placed on stand-by basis until economic conditions are such that it will be profitable to resume operations. Recovery of the Company's costs for mining claims, deferred development and deferred administration of approximately \$1,788,000 is therefore uncertain.

In view of the possible material effect of the matter discussed above on the financial statements, we are unable to express an opinion as to whether or not the accompanying financial statements present fairly the company's financial position as at September 30, 1978 and the results of its operations and the changes in its financial position for the year then ended.

STARKMAN, KRAFT, ROTHMAN, BERGER & GRILL

Chartered Accountants

Toronto, Ontario
November 7, 1978



BALANCE SHEET
AS AT SEPTEMBER 30, 1978

ASSETS

	1978	1977
Current		
Cash and short-term deposits	\$ 10,256	\$ 13,084
Marketable securities, at cost (quoted market value \$1,450; 1977 — \$1,250)	465	465
Sundry receivable	90	67
Equipment held for resale (Note 2)	9,375	9,375
	<u>20,186</u>	<u>22,991</u>
Investment in Shares of Probe Mines Limited, at nominal value	1	1
Mining Claims and Properties, at cost (Note 1)	56,000	56,000
Deferred Expenditures, per attached statements (Note 3)		
Development expenditures	1,492,014	1,491,435
Administrative expenditures	240,493	234,833
	<u>1,732,507</u>	<u>1,726,268</u>
Organization Expenses, at cost	13,764	13,764
	<u><u>\$ 1,822,458</u></u>	<u><u>\$ 1,819,024</u></u>

LIABILITIES AND SHAREHOLDERS' EQUITY

Current Liabilities		
Accounts payable and accrued liabilities	\$ 9,415	\$ 5,981
Loans Payable (Note 4)	453,151	453,151
Total Liabilities	462,566	459,132
Shareholders' Equity		
Capital		
Authorized		
3,000,000 Shares without par value, maximum		
consideration not to exceed \$3,000,000		
Issued		
2,450,001 Shares	2,148,001	2,148,001
Contributed Surplus	55,000	55,000
Deficit	(843,109)	(843,109)
	<u>1,359,892</u>	<u>1,359,892</u>
	<u><u>\$ 1,822,458</u></u>	<u><u>\$ 1,819,024</u></u>

See accompanying notes to financial statements.

Approved on behalf of the Board of Directors:

PAUL PENNA, Director

E. L. BAXTER, Director



STATEMENT OF DEFERRED DEVELOPMENT EXPENDITURES
FOR THE YEAR ENDED SEPTEMBER 30, 1978

	1978	1977
Dubuisson Property, Quebec		
Consulting	\$ —	\$ 400
Licences and taxes	579	353
Total Expenditures for the Year	579	753
Balance Deferred, beginning of year	1,491,435	1,490,682
Balance Deferred, end of year	\$ 1,492,014	\$ 1,491,435

See accompanying notes to financial statements.

STATEMENT OF DEFERRED ADMINISTRATIVE EXPENDITURES
FOR THE YEAR ENDED SEPTEMBER 30, 1978

	1978	1977
Shareholders' information	\$ 3,969	\$ 4,640
Transfer agent fees	2,607	3,035
Bank charges and interest	24	167
Listing and filing fees	1,000	1,030
Legal and audit	4,548	2,305
Directors' fees	400	400
Office and general expenses	225	3,347
Truck rental	—	300
	12,773	15,224
Less: Interest earned	715	970
Recovery of prior period expenses	6,398	—
	7,113	970
Total Expenditures for the Year	5,660	14,254
Balance Deferred, beginning of year	234,833	220,579
Balance Deferred, end of year	\$ 240,493	\$ 234,833

See accompanying notes to financial statements.

STATEMENT OF CHANGES IN FINANCIAL POSITION
FOR THE YEAR ENDED SEPTEMBER 30, 1978

	<u>1978</u>	<u>1977</u>
Source of Working Capital	\$ NIL	\$ NIL
Application of Working Capital		
Deferred development expenditures (net)	579	753
Deferred administrative expenditures (net)	5,660	14,254
	<u>6,239</u>	<u>15,007</u>
Decrease in Working Capital	(6,239)	(15,007)
Working Capital, beginning of year	17,010	32,017
Working Capital, end of year	<u>\$ 10,771</u>	<u>\$ 17,010</u>

See accompanying notes to financial statements.



NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 1978

1. **Mining Claims and Properties**

The company holds mining claims and properties acquired as follows:

	<u>1978</u>	<u>1977</u>
Dubuisson Township, Quebec		
7 mining claims (the Dalton Claims) and		
10 mining claims (the Probe Claims), at cost	\$ 56,000	\$ 56,000

The Company has agreed to issue 50,000 shares for a consideration of 1¢ per share to the vendor of the Dalton claims at such time as commercial production of minerals from the claims commences.

The Probe Claims were held under a working option from Probe Mines Limited (Probe) until July 28, 1981. The Company was entitled to two five year renewals of the working option on payment of \$15,000 for each renewal. At any time during the term of the working option or any renewal thereof the Company was entitled to elect to bring the claims into production on a commercial scale and on making such commitment the Company would acquire absolute ownership of these claims subject to a royalty of 50% of the net profit from production of minerals from the claims which is payable to Probe. In 1975 the Company gave notice that it elected to bring the claims into production on a commercial scale and acquired ownership of the claims.

In August, 1975, the Company shut down operations at its Dubuisson Township mine as the gold content recovered during test mill runs was too low to be economical at the prevailing market price. The development of the mineralized deposit has been deferred and the project has been placed on stand-by until economic conditions are more favourable for the production of gold. The Company has been requested by Probe to return ownership of the Probe claims.

2. **Equipment Held for Resale**

The Company's unsold equipment is being carried at estimated realizable value.

3. **Deferred Expenditures**

The amounts shown for deferred expenditures represent costs to date and are not intended to reflect present or future values.

4. **Loans Payable**

The loans payable have been deferred without further interest from October 1, 1975 by the lenders so that the Company's working capital will not be reduced below \$10,000.

5. **Remuneration of Directors and Senior Officers**

Aggregate direct remuneration of directors and senior officers (as defined by the Business Corporations Act) during the fiscal year ended September 30, 1978 was \$400.

